

## Adjustment Reversal and Correcting Entry Adjustments

Adjustments are used to correct the data on a Payment Request, Posted Payment, or Correcting Entry Adjustment. The original Payment must be reversed (Adjustment Reversal) and one or more Correcting Entry Adjustments created. The user must make certain the total amount of the Correcting Entry Adjustments equals the amount of the original Payment. Most information on the Correcting Entry Adjustment can be changed, except the vendor who was paid and the date the payment was made.



### Hints:

- You must have Create Payment Modification functions assigned to your Role in SSIS Admin to do Adjustment Reversals and Correcting Entry Adjustments.
- Once a Payment Request has a status of Paid, the following fields can be edited without doing an adjustment:
  - Workgroup
  - License #
  - IV-E sub code
  - 1099
  - IV-E reimbursable
  - SEAGR Units
  - Arrangement Group
  - Invoice number
  - Invoice data
  - Contract number
  - Any county-defined fields.

### Create Adjustment Reversal

Adjustments are used to correct data on the Payment Request, Posted Payment or Correcting Entry Adjustment. The original payment must be reversed (Adjustment Reversal) and then a Correcting Entry Adjustment created.

A Correcting Entry Adjustment is treated as an original payment for the purpose of creating additional modifications. Any associated Service Arrangement, Service Arrangement Group and COA maximums are updated using the Correcting Entry Adjustment amounts. Adjustments may affect the amount and units on State Reports.



### Create Adjustment Reversal:

1. Search for the original payment request, access the **Action** menu and select **Create Adjustment Reversal**.
2. Enter the **Warrant/eff. date** and the **County defined date** (if used). The Warrant/eff. date must be on or after the Warrant/eff. date of all selected payments and Correcting Entry Adjustments.
3. Enter the reason for the adjustment in the **Remittance adv. Desc./reason** field.
4. Click **OK**.
5. Click **Yes** on the create Correcting Entry Adjustments reminder dialog box to continue.
6. Click on the **Transactions** tab of the payment to view the Adjustment reversal.



### Hints:

- The original payment cannot have been cancelled, have any refunds or recoveries or already have an Adjustment Reversal entered.
- Every field can be modified except the Vendor and the original date of the payment when creating Correcting Entry Adjustments.

### Adjustment Reversal Business Rules

Business Rule	Error Message
The Payment to be Adjusted must be a Paid Payment Request, a Posted Payment, or a Correcting Entry Adjustment.	N/A
The Payment to be Adjusted cannot have been cancelled.	Error: A Cancellation exists for this Payment.
The Payment to be Adjusted cannot already have an Adjustment Reversal.	Error: An Adjustment exists for this Payment.
The Payment to be Adjusted cannot have any Refunds or Recoveries.	Error: Payment has a Refund or Recovery.
Warrant/eff. date must be on or after the Warrant/eff. date of the Original Payment.	Error: "Warrant/eff. date") must be on or after the "Warrant/eff. date" of the original Payment.
Display a warning if the Warrant/eff. date of the Adjustment Reversal is in the future.	WARNING: "Warrant/eff. date" is a future date.
Warrant/GL Amount must be greater than or equal to 0.	Error: "Warrant/GL amount" must be greater than or equal to 0.
Before saving the record, display a reminder to create Correcting Entry Adjustments totaling the Amount of the Payment being adjusted.	Reminder: Create one or more Correcting Entry Adjustments totaling the Payment "Amount"

Business Rule	Error Message
<p>The Adjustment Reversal record is created using the fields entered on the dialog, system generated values, and information on the Original Payment.</p> <p>The following calculations are also performed:</p> <ul style="list-style-type: none"> <li>• Units is Original Units * -1</li> <li>• Amount is Original Amount * -1</li> <li>• SEAGR Units is Original SEAGR Units * -1 (if the Original SEAGR Units has a value)</li> </ul> <p>See <b>Error! Reference source not found.</b> in the Payment Design Spec for detailed information on each field.</p>	N/A

Business Rule	Error Message
<p>Adjustment Reversals can be edited. When editing an Adjustment Reversal, the fields that were entered for the Adjustment Reversal and the fields that can be edited at any time are enabled. The editable fields are listed below (must have the "Create Payment Modifications" security function to edit these fields):</p> <p>Adjustment Reversal fields:</p> <ul style="list-style-type: none"> <li>• Warrant/eff. date</li> <li>• Accrual Code</li> <li>• County Defined Date</li> <li>• Warrant/GL Number</li> <li>• Warrant/GL Amount</li> <li>• Remittance adv. desc./reason</li> </ul> <p>These fields can be edited at any time: (The user must have the "Create Payment Modifications " or "Edit Payment Reporting Fields" security function to edit these fields.)</p> <ul style="list-style-type: none"> <li>• Workgroup</li> <li>• License #</li> <li>• IV-E sub code</li> <li>• 1099</li> <li>• IV-E Reimbursable</li> <li>• SEAGR Units</li> <li>• Arrangement Group</li> <li>• Invoice Number</li> <li>• Invoice Date</li> <li>• Contract Number</li> <li>• County Defined Field.</li> </ul>	N/A
Adjustment Reversals can be deleted.	A confirmation dialog is displayed before the record is deleted.

Business Rule	Error Message																						
<p>The following fields must match the corresponding field on the Original Payment</p> <table><tr><td>Unit type</td></tr><tr><td>Rate</td></tr><tr><td>Service</td></tr><tr><td>County sub-service</td></tr><tr><td>Chart of accounts</td></tr><tr><td>Location</td></tr><tr><td>HPCPS/modifier</td></tr><tr><td>Payee vendor</td></tr><tr><td>Payee county vendor #</td></tr><tr><td>Payee SSIS bus. org. #</td></tr><tr><td>Paying county</td></tr><tr><td>SSIS person #</td></tr><tr><td>DOC points</td></tr><tr><td>Basic per diem</td></tr><tr><td>Service start date</td></tr><tr><td>Service end date</td></tr><tr><td>Special cost code</td></tr><tr><td>Program</td></tr><tr><td>Service arrangement #</td></tr><tr><td>Service vendor</td></tr><tr><td>Service county vendor #</td></tr><tr><td>Service SSIS bus. org. #</td></tr></table>	Unit type	Rate	Service	County sub-service	Chart of accounts	Location	HPCPS/modifier	Payee vendor	Payee county vendor #	Payee SSIS bus. org. #	Paying county	SSIS person #	DOC points	Basic per diem	Service start date	Service end date	Special cost code	Program	Service arrangement #	Service vendor	Service county vendor #	Service SSIS bus. org. #	<p>Error: "[ScreenCaption]" must match the original Payment One message will display for each field that does not match the database.</p> <p><u>Example</u> "Chart of accounts" (11-423-710-1810-6040) must match the original Payment (11-523-750-1870-6111).</p>
Unit type																							
Rate																							
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Service arrangement #																							
Service vendor																							
Service county vendor #																							
Service SSIS bus. org. #																							
<p>The following fields must have the same value with the sign reversed as the corresponding field on the Original Payment.</p> <table><tr><td>Units (Original Payment Units *-1)</td></tr><tr><td>Amount (Original Payment Amount *-1)</td></tr><tr><td>SEAGR Units (Original Payment SEAGR Units *-1)</td></tr></table>	Units (Original Payment Units *-1)	Amount (Original Payment Amount *-1)	SEAGR Units (Original Payment SEAGR Units *-1)	<p>Error: "[ScreenCaption]" must be the reverse of the original Payment One message will display for each field that does not match the database.</p> <p><u>Example</u> "Units" (-23) must match the original Payment (25).</p>																			
Units (Original Payment Units *-1)																							
Amount (Original Payment Amount *-1)																							
SEAGR Units (Original Payment SEAGR Units *-1)																							
<p>Accrual Code is enabled only if the Service Dates are in the prior year to the Warrant/eff. date. Otherwise, Accrual Code is blank and disabled.</p>																							
<p>Warrant/eff. date must be within the effective dates of the selected Accrual Code.</p>	<p>Error: "Warrant/eff. date" must be within the effective dates of the "Accrual code"</p>																						

Business Rule	Error Message
Display a warning if Accrual Code has a value and the Warrant/eff. date is after GL Close Date for the Fiscal Year of the Service Dates.	WARNING: "Accrual code" has a value and "Warrant/eff. date" is after the "GL Close Date"
Display a warning if the Original Payment has an Accrual Code and the Adjustment Reversal does not	WARNING: "Accrual code" is blank. "Accrual code" has a value on the original Payment

*Table 8-63: Adjustment Reversal Business Rules in the Payments Design Spec.*

## Create Correcting Entry Adjustment

Create Correcting Entry Adjustment is only enabled on the Payment Action menu when an Adjustment Reversal is selected. The Adjustment Reversal record is copied to a new record and displayed on the Payment entry screen.



*Hint: Two examples of when to use a Correcting Entry Adjustment:*

- *A correcting entry might be created if the payment was made to the wrong Chart of Accounts code. After the correction in the County Accounting System, a Correcting Entry Adjustment would need to be completed with the correct COA to verify the SEAGR report is correct.*
- *A second example of when to use a correcting entry is when the original Service Arrangement is non-client specific but indicates Pay Client specific and you need to make a payment before you receive an invoice itemized by client. Select one client you know is going to receive those services at the time of the payment. Once an invoice arrives from the provider that itemizes completed services for multiple clients, enter an Adjustment Reversal and Correcting Entries to re-allocate that Payment Request to individual clients.*

## Create Correcting Entry Adjustment

Payment details	
Payment #: 210750749	Original payment #: 210696017
Payment type: Correcting entry adjustment	Payment status: Paid
Service arrangement:	Service arrangement #:
Service start date: 10/01/2010	Service end date: 10/31/2010
Client name: Tender, Larry	SSIS person #: 111075591
Workgroup:	
Business organizations / vendors	
Name: Jax Child Care	County vendor #: 0998
Payee vendor:	SSIS bus. org. #: 102317250
License #:	IV-E sub code:
Programs and services	
Program: 100 - Child Welfare (General)	
Service: 181 - Child family foster care	
County sub-service:	
HCPCS/modifier:	
Location:	
Fiscal details	
Special cost code:	Paying county: Faribault
DOC points: 0	Rate: \$23.7500
Unit type: Day	Units: 31.00
SEAGR unit type: Day	Amount: \$736.25
Warrant / eff. date: 05/24/2011	SEAGR units: 31.00
Accrual code: AP - Accounts Payable	County defined date:
Chart of accounts: 11 - 425 - 710 - 3060 - 6040	MA Reimbursement
Submitted date:	Warrant / GL number: 1
IV-E reimbursable: Yes No	Warrant / GL amount: \$10,000.00
1099: No	Invoice number:
Contract number:	Invoice date:
Remittance adv. desc. / reason: sdfasdf	Arrangement group:
Copy from service	County defined field:
Creator: Kjos, Lexie J	Create date: 05/13/2011 4:43 PM
Approver:	Approval date:



### Create Correcting Entry Adjustment:

1. From the **Transactions** tab select the **Adjustment reversal** in the grid, and then access the **Action** menu and select **Create Correcting Entry Adjustment**.
2. Complete the required fields. A Correcting Entry Adjustment is treated as an original payment for the purpose of creating additional modifications.
3. **Save.** Repeat steps to enter any additional Correcting Entry Adjustments that may be needed, for example for the next client on the invoice.



*Hint: The adjustment amount must equal the original Payment Request amount.*

### Correcting Entry Adjustment Business Rules

Business Rule	Error Message
Warrant / eff. date must be on or after the Warrant / eff. date of the Original Payment.	Error: "Warrant / eff. date" must be on or after the "Warrant / eff. date" of the original Payment.
Display a warning if the Warrant/Eff. Date of the Correcting Entry Adjustment is in the future.	WARNING: "Warrant / eff. date" is a future date.
Warrant / GL Amount must be greater than or equal to 0.	Error: "Warrant / GL amount" must be greater than or equal to 0.
The total of all Correcting Entry Adjustments cannot exceed the Original Payment's Amount.	Error: The total of all Correcting Entry Adjustments exceeds the original Payment's "Amount"
Display a warning if the total of all Correcting Entry Adjustments does not equal the Original Payment's Amount.	WARNING: The total of all Correcting Entry Adjustments is less than the original Payment's "Amount"
<p>The Correcting Entry Adjustment record is created using the fields on the Adjustment Reversal and system generated values. The following calculations are also performed on the Adjustment Reversal values:</p> <ul style="list-style-type: none"> <li>• Units is Reversal Units * -1</li> <li>• Amount is Reversal Amount * -1</li> <li>• SEAGR Units is Reversal SEAGR Units * -1 (if the Original SEAGR Units has a value)</li> </ul> <p>See <b>Error! Reference source not found.</b> in the Payment Design Spec for detailed information on each field.</p>	N/A

Business Rule	Error Message
Correcting Entry Adjustments can be edited. The fields can be changed according to the Payment business rules except the vendor who was paid.	N/A
<p>Changes can be made to the vendor fields on a Correcting Entry Adjustment as long as the vendor who is paid matches the original Payment's paid vendor.</p> <p>Display an error if the vendor that was paid does not match original Payment's paid vendor.</p> <p>Below are some specifics about changes that can be made:</p> <ul style="list-style-type: none"> <li>• If the original Payment has a Payee Vendor: the Service Vendor can be changed to another Service Vendor with the same Payee The Service Vendor can be changed to the Payee Vendor.</li> <li>• If the original Payment only has a Service Vendor: The Service Vendor can be changed to a vendor that has the original Service Vendor as a Payee.</li> </ul> <p>If the Correcting Entry Adjustment has Service Arrangement, rules for the vendor fields based on the Service Arrangement are also enforced.</p>	Error: The Correcting Entry Adjustment's paid vendor "SSIS bus. org. #" must be the same as the original Payment's paid vendor "SSIS bus. org. #."
Correcting Entry Adjustments can be deleted.	A confirmation dialog is displayed before the record is deleted.
The Payment cannot have been cancelled. Note: Cancellations will display in the Transactions tab under Correcting Entry Adjustments that were created before the Payment was cancelled.	Error: A Cancellation exists for this Payment.

*Table 8-65: Correcting Entry Adjustment Business Rules in the Payments Design spec.*